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ORIGINAL

## BEFORE THE ARIZONA CORPORATION COMMISSION

## COMMISSIONERS

MIKE GLEASON, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

JUN 30 2008

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IN THE MATTER OF THE APPLICATION OF  
ARIZONA PUBLIC SERVICE COMPANY  
FOR A HEARING TO DETERMINE THE  
FAIR VALUE OF THE UTILITY PROPERTY  
OF THE COMPANY FOR RATEMAKING  
PURPOSES, TO FIX A JUST AND  
REASONABLE RATE OF RETURN  
THEREON, TO APPROVE RATE  
SCHEDULES DESIGNED TO DEVELOP  
SUCH RETURN

DOCKET NO. E-01345A-08-0172

RECOMMENDED  
PROCEDURAL SCHEDULE

On June 6, 2008, Arizona Public Service Company ("APS" or "Company") filed with the Arizona Corporation Commission ("Commission") a Motion for Approval of Interim Rate and Preliminary Order ("Motion"). In its Motion, APS requested that the Commission approve an "Interim Bate Rate Surcharge" of \$.003987 per kWh to be effective upon the expiration of the \$.003987 per kWh 2007 Power Supply Adjustor charge ("2007 PSA Adjustor") granted in Decision No. 69663 (June 28, 2007). The Company's request in that regard was twofold: (1) that the Commission approve its requested interim rate relief; and (2) if the Commission could not act in time to approve its interim rate request by the time the 2007 PSA Adjustor is expected to terminate in late July 2008, that the Commission approve APS's interim rate request on a preliminary basis pending final resolution of APS's Motion.

On June 19, 2008, a procedural conference was held on APS's Motion. At that conference, and by Procedural Order dated June 23, 2008, the parties to this docket ("Parties") were directed to meet and discuss the Motion and to see whether there could

1 be any agreement on the procedural timeframes for the actions requested by APS in its  
2 Motion, and whether the Parties could reach any other agreements. The Parties were  
3 further directed to file either a joint recommendation or separate recommendations on  
4 such procedural timeframes or other agreements by June 30, 2008.

5 The Parties met as directed on June 24, 2008. During that meeting, APS indicated  
6 that it would agree to forego its request that the interim rate request be approved on a  
7 preliminary basis pending a final resolution of the Motion, provided that the Parties could  
8 agree to a proposed procedural schedule that allowed for final resolution of the Motion by  
9 early November 2008. APS indicated that such a timeframe would allow the interim rates  
10 to be reflected in customer bills during the month when APS switches from summer rates  
11 to winter rates, which are generally lower than summer rates by an amount that is more  
12 than the requested interim relief.

13 Through consultation with Staff and the other Parties, the following process and  
14 schedule was developed that would support a resolution of the APS Motion by early  
15 November:

- 16 1. APS withdraws its request for a preliminary grant of the Motion.
- 17 2. The Affidavits of Donald E. Brandt and Dr. Charles Cicchetti will constitute  
18 the Company's Direct Testimony in support of the Motion, and the  
19 Company will file another affidavit on the issue of rate design as an  
20 additional piece of Direct Testimony on or before July 11, 2008.
- 21 3. Staff and other Parties will file Responsive Testimony on or before August  
22 29, 2008.
- 23 4. APS will file Rebuttal Testimony, including any proposed stipulations of  
24 facts and law, on or before September 8, 2008.
- 25 5. Any surrebuttal or rejoinder testimony will be presented orally at the  
26 hearing in this matter.

1           6.     A public comment session and prehearing conference will be held on either  
2                 September 11 or September 12, 2008.

3           7.     An evidentiary hearing on the Motion will commence on September 15,  
4                 2008.

5           8.     Post-hearing briefs will be submitted by any Party choosing to submit such a  
6                 brief no later than seven calendar days following the last day of the hearing.

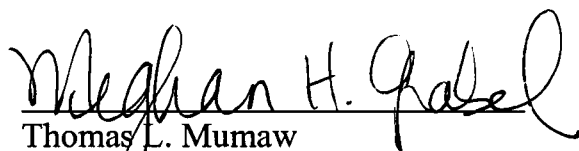
7           9.     The goal of this procedural schedule is to provide adequate time for the  
8                 Commission to finally resolve the Company's Motion by early November,  
9                 2008.

10          APS has discussed this proposed process and schedule with Staff and the other  
11          Parties. Staff, RUCO, Arizona Investment Council, the Town of Wickenburg, the AzAg  
12          Group, WRA/SWEEP, and AECC all either support or do not oppose the process and  
13          schedule discussed above.

14          Accordingly, APS respectfully requests that the Chief Administrative Law Judge  
15          issue an Order adopting these procedures, timelines, and agreements to the extent such  
16          proposals can be accommodated by the Hearing Division calendar.  
17

18                         RESPECTFULLY SUBMITTED this 30<sup>th</sup> day of June, 2008.  
19

20                                 PINNACLE WEST CAPITAL CORPORATION  
21                                 Law Department

22     
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1 **ORIGINAL** and 13 copies of the foregoing  
2 filed this 30<sup>th</sup> day of June 2008, with:

3 Docket Control  
4 Arizona Corporation Commission  
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7 **A COPY** of the foregoing was hand-delivered, mailed or e-mailed  
8 this 30<sup>th</sup> day of June, 2008, to:

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